



September 15, 2010

VIA ELECTRONIC FILING

Ms. Jocelyn Boyd
Chief Clerk and Administrator
South Carolina Public Service Commission
101 Executive Center Dr., Suite 100
Columbia, SC 29210

Dear Ms. Boyd:

Re: Filing of Quarterly Monitoring Report by Piedmont Natural Gas Company, Inc.
Pursuant to S.C. Code §58-5-430
Docket No. 2010-7-G

Pursuant to Section 58-5-430 of the South Carolina Natural Gas Rate Stabilization Act, enclosed is the quarterly monitoring report for the twelve-month period ending June 30, 2010, for Piedmont Natural Gas Company, Inc.

If you have any questions about this filing, you may reach me at 704-731-4560 or Robert Thornton at 704-731-4148.

Sincerely,

s/ Jenny Furr
Jenny Furr
Manager, Regulatory Reporting

Enclosures

c: ORS – Carey Stites (5 copies via overnight delivery)
Scott Elliott
James H. Jeffries IV

CERTIFICATION

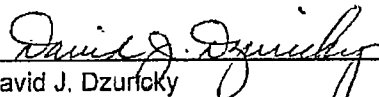
I, Thomas E. Skains and David J. Dzuricky, state and attest, under penalty of perjury, that the attached Quarterly Monitoring Report is filed on behalf of Piedmont Natural Gas Company, Inc. as required by the Public Service Commission of South Carolina; That I have reviewed said report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.



Thomas E. Skains
President and CEO

9/15/10

Date Signed



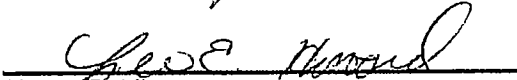
David J. Dzuricky
Senior Vice President and CFO

9/13/10

Date Signed

Subscribed and Sworn to before me this

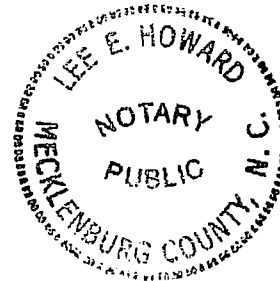
15 day of September, 2010.



Notary Public

Lee E. Howard

My Commission Expires MY COMMISSION EXPIRES 10-29-10



Net Operating Income and Rate of Return
For The Twelve Months Ended June 30, 2010
South Carolina
Page 1 of 2

	(1)	(2)	(3)
	<u>Per Filing</u>	<u>Accounting And Pro Forma Adjustments</u>	<u>After Pro Forma Adjustments</u>
Operating Revenues			
Sale of Gas	\$ 183,850,517	\$ (14,165,318)	\$169,685,199
Other Operating Revenues	892,711	-	892,711
Total Operating Revenue	<u>\$ 184,743,228</u>	<u>\$ (14,165,318)</u>	<u>\$ 170,577,910</u>
Operating Expenses			
Cost of Gas	\$ 116,239,404	\$ (17,423,979)	\$ 98,815,425
Other Operation & Maintenance	27,434,973	(910,071)	26,524,902
Depreciation	11,991,666	585,160	12,576,826
General Taxes	7,022,046	(106,953)	6,915,094
State Income Taxes	1,144,863	(128,643)	1,016,220
Federal Income Taxes	5,271,886	1,485,977	6,757,863
Amort. of ITC	(32,633)	-	(32,633)
Total Operating Expenses	<u>\$ 169,072,205</u>	<u>\$ (16,498,508)</u>	<u>\$ 152,573,697</u>
Net Operating Income	<u>\$ 15,671,023</u>	<u>\$ 2,333,190</u>	<u>\$ 18,004,213</u>
Interest on Customer Deposits	(140,205)	-	(140,205)
Amortization of Debt Redemption Premium	(2,892)	9	(2,883)
AFDUC (Allowance for Funds Use Const)	51,424	-	51,424
Customer Growth	65,229	9,799	75,029
Net Operating Income For Return	<u>\$ 15,644,580</u>	<u>\$ 2,342,999</u>	<u>\$ 17,987,579</u>
Original Cost Rate Base			
Plant in Service	\$ 388,318,582	\$ -	\$ 388,318,582
Accumulated Depreciation	(161,122,449)	-	(161,122,449)
Net Plant in Service	<u>\$ 227,196,133</u>	<u>\$ -</u>	<u>\$ 227,196,133</u>
Add:			
Construction Work in Progress	4,662,093	-	4,662,093
Materials and Supplies	15,164,452	-	15,164,452
Cash Working Capital	1,412,356	(146,551)	1,265,805
Deduct:			
Customer Advances for Construction	-	-	-
Customer Deposits	3,998,481	-	3,998,481
Accumulated Deferred Income Taxes	47,281,345	-	47,281,345
Unclaimed Funds	243,708	-	243,708
Total Original Cost Rate Base	<u>\$ 196,911,501</u>	<u>\$ (146,551)</u>	<u>\$ 196,764,950</u>
Return on rate base	<u>7.94%</u>		<u>9.14%</u>

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Per Books Capitalization	Accounting and Pro Forma Adjustments	Settlement Capitalization	Ratio %	Cost Net Investment	Embedded Cost %	Overall Cost Rate %	Net Operating Income
1. Long-Term Debt	\$ 723,377,085.00	\$ -	\$ 723,377,085.00	42.24%	\$ 83,119,170.00	6.4120%	2.71%	\$ 5,329,601.18
2. Common Equity	989,046,835.84	-	989,046,835.84	57.76%	113,645,779.00	11.1400%	6.43%	12,657,977.66
3. Total	\$ 1,712,423,921	\$ -	\$ 1,712,423,921	100.00%	\$ 196,764,949		9.14%	\$ 17,987,579

After Accounting and Proforma Adjustments

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the attached *Quarterly Monitoring Report for the Twelve-Month Period Ending June 30, 2010* is being served this date via email and UPS Overnight (5 copies) upon:

Jeffrey M. Nelson
C. Lessie Hammonds
Carey Stites
Nanette S. Edwards
Office of Regulatory Staff
1401 Main Street
Suite 900
Columbia, South Carolina 29201
jnelson@regstaff.sc.gov
lhammon@regstaff.sc.gov
cstites@regstaff.sc.gov
nsedwar@regstaff.sc.gov

And that a copy of the attached *Quarterly Monitoring Report for the Twelve-Month Period Ending June 30, 2010* is being served this date via email and U.S. Mail upon:

Scott Elliott
Elliott and Elliott, PA
721 Olive Street
Columbia, South Carolina 29205
sellott@elliottlaw.us

David Carpenter
Managing Director Regulatory Affairs
Piedmont Natural Gas Company, Inc.
P.O. Box 33068
Charlotte, North Carolina 28233
david.carpenter@piedmontng.com

Pia Powers
Manager, Regulatory Affairs
Piedmont Natural Gas Company, Inc.
P.O. Box 33068
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pia.powers@piedmontng.com

This the 15th day of September, 2010.

s/ James H. Jeffries IV
James H. Jeffries IV